

News from U.S. Rep. John Spratt (D-SC)

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US House of Representatives – Washington, DC

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Spratt Says Medicaid Money Coming to SC Hospitals

WASHINGTON – U.S. Rep. John Spratt (D-SC) announced today that millions of federal Medicaid dollars held up by a government audit will be released to hospitals in South Carolina.

“This is good news,” said Spratt, who took part in a meeting this week with state and federal officials to review the federal audit and its consequences.

The federal government matches every \$27 that South Carolina spends on Medicaid with \$73 in federal funds. The Center for Medicare and Medicaid Services (CMS) took exception to the sources of South Carolina’s funds, and withheld matching federal funds. The auditors’ action came at a bad time for South Carolina, which has multiple budget problems already.

The Center for Medicare and Medicaid Services (CMS) questioned the way the state raises funds to pay additional sums to hospitals and nursing homes with relatively large numbers of low-income patients, known as “Disproportionate Share Hospitals.”

Spratt said that while CMS has agreed to release the funds it is now withholding, and to continue past payment practices through the next fiscal year, CMS maintains that certain expenditures by the state still do not qualify for matching federal funds, and the state will have to restructure its Medicaid program to qualify for a full federal match in the future.

Making the case for South Carolina’s hospitals is familiar territory for Spratt. In 1997, as a negotiator of the Balanced Budget Act, he saved South Carolina nearly \$300 million in proposed DSH cuts that would have hurt hospitals across the state.

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